

**STATEMENT OF DR. RONALD P. SANDERS
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Before the

**SUBCOMMITTEE ON THE FEDERAL WORKFORCE
AND AGENCY ORGANIZATION
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES**

On

**“RETIREEES RETURNING TO THE RESCUE:
RE-EMPLOYING ANNUITANTS IN TIMES OF NATIONAL NEED”**

July 25, 2006

Mr. Chairman and Members of the Subcommittee, I am Dr. Ronald P. Sanders, the Chief Human Capital Officer for the US Intelligence Community and Assistant Deputy Director of National Intelligence in the Office of the Director of National Intelligence. I appreciate the opportunity to appear before you today to address this important and urgent topic: re-employing Federal retirees in times of national need by allowing them, in certain circumstances, to return to the civil service without any penalty. The Intelligence Community (IC) has some experience in this regard, as well as some special authority, and both may help inform the Subcommittee as it considers ways to better leverage the skills and talents of former Feds...a critical but underutilized national resource.

The ability to re-employ retirees to meet mission exigencies has proved increasingly critical to the IC, in large part because of our demographics. Office of Personnel Management Director Springer talks about the retirement “tsunami,” and the metaphor is apt: our workforce is

literally shaped like a wave front: On the one hand, the majority of our workforce has more than 20+ years of service – by 2010, more than half of our employees will be eligible to retire, with even greater percentages among our senior technical experts, managers, professionals, and executives. On the other hand, 30% or more of our workforce has less than five years of Federal service, the result of our post-9/11 hiring surge, and that percentage is growing.

Our growth is intended in part to recover the capabilities we lost during the downsizing of the 1990's, and in part to deal with the brutal operating tempo that our current mission demands. In between those two steep population “peaks” is a substantial trough, at our middle grades – precisely where we would look for our next generation of senior analysts, case officers, technical experts, and leaders. Rebuilding our bench strength is made even more difficult by the nature of our work. Operational and analytic tradecraft is far more art than science; it literally takes years of experience and training to develop a single seasoned intelligence analyst or case officer...and even longer to prepare someone to lead effectively. Yet the seasoned professionals who can teach our next generations of intelligence professionals those operational and analytical arts are ready to retire.

The ability to bring back some of those “artisans” without penalty is critical to our human capital recovery plan, and parts of the IC have already seen the value of this flexibility, albeit in limited fashion. For example, those IC agencies under the Department of Defense have had dual compensation waiver authority since 2004 and have used it to great effect (the National Security Agency has been especially strategic in the re-employment of retirees). The Central Intelligence Agency (CIA) has exercised similar authority, but only with respect to those former Agency

employees who retired under the special CIARDS retirement system; for all other annuitants (including its own), the CIA has had to rely on an authority delegated from OPM. And while Congress gave the Federal Bureau of Investigation (FBI) the flexibility to do the very same thing as part of the Intelligence Reform and Terrorism Prevention Act of 2004, it may only re-employ its own former employees. These various authorities and limitations are problematic when one is trying to integrate and strengthen the Intelligence Community as a whole.

The Congress recognized this when it also included Section 1053 in the Intelligence Reform Act. That Section provides the Director of National Intelligence (DNI) authority to establish a National Intelligence Reserve Corps (NIRC) “...for the temporary reemployment on a voluntary basis of former civilian employees of elements of the intelligence community during periods of emergency, as determined by the Director.” The statute further ensures that the salary of a former employee appointed to the Corps who is receiving an annuity under the Civil Service Retirement and Disability Fund will not be offset...in other words, the Intelligence Reform Act grants “dual compensation waivers” to those retirees re-employed under the auspices of the Reserve Corps. Thus, under this statutory authority, the FBI can re-employ a CIA retiree (and vice versa), leveraging the individual expertise of our former employees for the good of the entire Community...and the Nation.

When you are trying to integrate the talents of current and former intelligence professionals in 16 separate intelligence agencies and 6 different cabinet departments, an IC-wide retiree Reserve Corps has the potential to become one of our most powerful human capital tools. Accordingly, I am pleased to announce that the DNI has just taken official action to

establish it, recently issuing a policy memorandum governing use of this authority across the Intelligence Community. In so doing, the Director has also determined that a “period of emergency” exists for the IC, as required by the law, and has delegated authority to make appointments to the NIRC to heads of IC agencies, under certain limited conditions and subject to certain mission-based criteria. For example, the authority requires the head of one of our agencies to make a specific written determination that the appointment of a re-employed annuitant to the NIRC will meet a requirement critical to the agency’s mission during the period of emergency; it also requires the agency head to notify my office in writing of such a determination.

In order to build a robust Community-wide talent pool to support the Reserve Corps, the DNI will also require each IC agency to provide employees who separate with an opportunity to place their names on a roster of NIRC volunteers; however, former employees who are not on that roster may also be re-employed, if they are otherwise eligible and the agency head determines (again, in writing) that they meet a mission-critical need. The policy does not allow a retired employee to be brought back to his or her former position, except under extremely narrow circumstances, nor does it permit a former employee to come back at a higher General Schedule grade or step. The policy also excludes employees who were separated for cause, who resign upon notice of proposed separation for cause, or who are terminated upon revocation of their security clearance, and it provides that an individual’s appointment may be terminated at any time and for any reason by the head of the employing agency and/or the DNI.

In establishing the National Intelligence Reserve Corps, we seek to re-employ exceptional people to meet exceptional circumstances, to leverage their priceless experience and intellectual capacity without having to ask them to suffer a financial penalty – to the salary that we pay them for additional service, or the annuity that they’ve earned for past. In so doing, we believe our former employees can continue to make valuable contributions to the US Intelligence Community’s agile, “all source” workforce of military, civilian, and contractor personnel, as we prosecute the global war on terror.

Mr. Chairman, that concludes my testimony. I would be happy to answer any questions you or the Subcommittee may have.